
Dedicated Schools Grant Monitoring Report 2023/24 – Month Ten

| | | | |
|------------------------------------|--|------------|-------------------|
| Report being considered by: | Schools Forum on 11 th March 2024 | | |
| Report Author: | Lisa Potts | | |
| Item for: | Information | By: | All Forum Members |

1. Purpose of the Report

- 1.1 To report the forecast financial position of the services funded by the Dedicated Schools Grant (DSG), highlighting any under or over spends, and to highlight the cumulative deficit on the DSG

2. Recommendation

- 2.1 That the report be noted.

3. Introduction/Background

- 3.1 The Dedicated Schools Grant (DSG) is a ring fenced specific grant which can only be spent on school/pupil activity as set out in The School and Early Years Finance (England) Regulations 2023. The Local Authority and Schools' Forum are responsible for ensuring that the DSG is deployed correctly according to the Regulations. Monitoring of spend against the grant needs to take place regularly to enable decision making on over spends/under spends and to inform future year budget requirements.
- 3.2 There are four DSG funding blocks: Schools Block, High Needs Block, Early Years Block and Central Schools Services Block. The funding for each of the four blocks is determined by a national funding formula.

4. Supporting Information

- 4.1 The 2023/24 Dedicated Schools Grant allocation is £167.8m. This includes £52m which funds Academies and post-16 high needs places which is paid direct by the Education and Skills Funding Agency (ESFA) to schools. The DSG budget for 2023/24 has been built utilising the remaining grant of £115.7m
- 4.2 The schools block is ring fenced but the Local Authority can transfer up to 0.5% of the funding out of the schools block with Schools Forum agreement. The other blocks are not subject to this limitation on transfers. For the 2023/24 budget, no balances were transferred.
- 4.3 The DSG expenditure budgets required for 2023/24 total £118.7m, which is £3m more than the funding available. As a result, a £3m in-year efficiency target has been set against this in order to balance the DSG budget, against the High Needs Block
- 4.4 There is a brought forward deficit on the DSG of £4.761m.

4.5 The forecast position at the end of January is shown in Table 1. A more detailed position per cost centre is shown in Appendix A.

| Prior Years | | | Table 1 - DSG Block forecast 2023/24 | 2023/24 | | | | | | | Deficit/ (surplus) £'000 | |
|-----------------------------|-----------------------------|-----------------------------|---|-----------------------------|----------------------------|-----------------------|--------------------------------|--------------------------------|--------------------------------|------------------|--------------------------------|--------------|
| 2020/21 Outturn £'000 | 2021/22 Outturn £'000 | 2022/23 Outturn £'000 | | Original Budget £'000 | Budget Changes £'000 | Final Budget £'000 | Quarter 1 Forecast £'000 | Quarter 2 Forecast £'000 | Quarter 3 Forecast £'000 | Month 10 | | |
| | | | Expenditure: | | | | | | | | | |
| 64,558 | 70,512 | 73,090 | Schools Block (inc ISB) | 76,952 | 0 | 76,952 | 76,952 | 76,952 | 76,952 | 76,952 | 76,952 | 0 |
| 10,441 | 9,899 | 10,240 | Early Years Block | 10,848 | 711 | 11,559 | 10,848 | 10,849 | 10,849 | 10,849 | 11,483 | (75) |
| 981 | 1,001 | 967 | Central School Services Block | 973 | | 973 | 966 | 967 | 954 | 950 | | (23) |
| 20,939 | 23,827 | 26,456 | High Needs Block | 29,946 | 0 | 29,946 | 30,125 | 31,531 | 31,526 | 31,511 | | 1,564 |
| 0 | 0 | 0 | High Needs Block In-Year deficit recovery | (3,065) | | (3,065) | 0 | 0 | 0 | 0 | | 3,065 |
| 96,919 | 105,240 | 110,754 | Total Expenditure | 115,656 | 711 | 116,366 | 118,892 | 120,300 | 120,282 | 120,897 | | 4,530 |
| | | | DSG Grant Income: | | | | | | | | | |
| (65,700) | (70,293) | (72,937) | Schools Block | (76,952) | 0 | (76,952) | (76,952) | (76,952) | (76,952) | (76,952) | (77,005) | (52) |
| (10,229) | (9,834) | (10,102) | Early Years Block | (10,848) | (711) | (11,559) | (10,848) | (10,848) | (10,848) | (10,848) | (11,252) | 307 |
| (959) | (1,009) | (992) | Central School Services Block | (973) | | (973) | (973) | (973) | (973) | (973) | (973) | 0 |
| (20,148) | (22,601) | (24,983) | High Needs Block | (26,882) | 0 | (26,882) | (26,882) | (26,882) | (26,882) | (26,882) | (26,887) | (5) |
| (97,037) | (103,737) | (109,014) | Total DSG Income | (115,656) | (711) | (116,366) | (115,656) | (115,656) | (115,656) | (115,656) | (116,117) | 250 |
| (112) | | (53) | In-year adjustments | | | | | | | | | |
| (97,149) | (103,737) | (109,067) | Total Income | (115,656) | (711) | (116,366) | (115,656) | (115,656) | (115,656) | (116,117) | | 250 |
| | | | In year net deficit/(surplus): | | | | | | | | | |
| (1,142) | 219 | 153 | Schools Block | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (52) | (52) |
| 211 | 65 | 138 | Early Years Block | (0) | 0 | (0) | (0) | 1 | 1 | 1 | 232 | 232 |
| 22 | (8) | (25) | Central School Services Block | 0 | 0 | 0 | (7) | (6) | (20) | (23) | (23) | (23) |
| 679 | 1,227 | 1,474 | High Needs Block | 0 | 0 | 0 | 3,243 | 4,649 | 4,645 | 4,624 | 4,624 | 4,624 |
| | | (50) | Grant adjustment (re PPG) | | | | | | | | | |
| (230) | 1,503 | 1,689 | Net in-year Deficit | (0) | 0 | (0) | 3,237 | 4,644 | 4,626 | 4,780 | | 4,780 |
| 1,691 | 1,461 | 2,964 | Deficit Balance in reserves | 4,761 | | 4,761 | 4,761 | 4,761 | 4,761 | 4,761 | 4,761 | 4,761 |
| | | 108 | In year reserve movement | 0 | | 0 | 148 | 148 | 148 | 148 | 148 | 148 |
| 1,461 | 2,964 | 4,761 | Cumulative Deficit | 4,761 | 0 | 4,761 | 8,145 | 9,553 | 9,535 | 9,689 | | 9,689 |

4.6 The Month Ten forecast shows an in-year forecast deficit of £4.8m,. When added to the cumulative deficit of £4.76m, the forecast year end deficit on the DSG is £9.7m.

4.7 The forecast overspend on the High Needs Block is £4.5m. £3m of this was set as an in-year efficiency target which remains unmet. The remaining £1.56m overspend reflects the current pressures on top up funding in schools. There has been a slight reduction of £15k from the Q3 position on the High Needs Block. Top Up funding is forecast to be £1.7m more than the budget set, seeing overspends in further education colleges and mainstream schools. The mainstream schools are covering additional EHCPs and have been given additional funding for those children on roll who would be in a special school, if places were available. There are reduced costs in higher cost placement areas such as Independent Special Schools.

4.8 The £23k underspend forecast on the Central School Services block is in relation to one-off staffing savings and additional income from fixed penalty notices.

4.9 The Early Years Block has received additional grant funding of £710k to assist with the new funding rates that came into use from September 2023. Despite this, we are expecting the Early Years Block deficit to increase by £232k. The Early Years budget paper has more detail on this.

4.10 The table below shows the forecast position for the end of 2023/24 by block. The surplus balance on the Schools Block of £1.2m is supporting the forecast overspend position on the other blocks.

| Reserve Balances (surplus)/deficit | 1.4.2023 Actual | Change in reserves | In-year Deficit/ (Surplus) | 31.3.2024 Forecast |
|------------------------------------|--------------------|-----------------------|----------------------------------|-----------------------|
| Schools Block - growth fund | (996) | 0 | 0 | (996) |
| Schools Block De-delegated | (267) | 148 | 0 | (119) |
| Schools Block - other | (92) | 0 | 0 | (92) |
| Early Years Block | 1,052 | 0 | 232 | 1,283 |
| Central School Services Block | 39 | 0 | (23) | 16 |
| High Needs Block | 5,070 | 0 | 4,624 | 9,694 |
| Grant changes | (45) | 0 | (52) | (97) |
| Total Deficit Balance | 4,761 | 148 | 4,780 | 9,689 |

5. Conclusion

- 5.1 The total forecast deficit on the DSG amounts to £9.7m, comprising £4.76m from previous years and a further £4.9m forecast overspend in year. The forecast position will be kept under review and updates provided to Schools' Forum.

6. Appendices

- 6.1 Appendix A – DSG 2023-24 Budget Monitoring Report Month 10

Dedicated School's Grant (DSG) 2023/2024 Budget Monitoring Month Ten

| Cost Centre | Description | Original Budget 2023/24 | Net Virements in year | Amended Budget 2023/24 | Forecast | Variance | Comments |
|---------------|--|----------------------------|--------------------------|---------------------------|-------------------|----------------|--|
| 90020 | Primary Schools (excluding nursery funding) | 55,688,850 | | 55,688,850 | 55,688,850 | 0 | |
| DSG top slice | Academy Schools Primary | 0 | | 0 | 0 | 0 | |
| 90025 | Secondary Schools (excluding 6th form funding) | 20,405,140 | | 20,405,140 | 20,405,140 | 0 | |
| DSG top slice | Academy Schools Secondary | 0 | | 0 | 0 | 0 | |
| 90230 | DD - Schools in Financial Difficulty (primary schools) | 0 | | 0 | 0 | 0 | |
| 90113 | DD - Trade Union Costs | 57,830 | | 57,830 | 57,830 | 0 | |
| 90255 | DD - Support to Ethnic minority & bilingual Learners | 186,100 | | 186,100 | 186,100 | 0 | |
| 90349 | DD - Behaviour Support Services | 234,910 | | 234,910 | 234,910 | 0 | £3.1k underspend will be used to off-set future years costs to school |
| 90424 | DD - CLEAPSS | 3,210 | | 3,210 | 3,210 | 0 | |
| 90470 | DD - School Improvement | 308,160 | | 308,160 | 308,160 | 0 | |
| 90423 | DD - Statutory & Regulatory Duties | 124,230 | | 124,230 | 124,230 | 0 | £5.7k underspend will be used to off-set future years costs to school |
| 90235 | School Contingency - Growth Fund/Falling Rolls Fund | 0 | | 0 | 0 | 0 | |
| 90054 | De-delegated funding from reserves | -147,692 | | -147,692 | -147,692 | 0 | |
| | SSR | 91,756 | | 91,756 | 91,756 | 0 | |
| | Schools Block Total | 76,952,494 | 0 | 76,952,494 | 76,952,494 | 0 | |
| 90583 | National Copyright Licences | 168,090 | | 168,090 | 168,092 | 2 | |
| 90019 | Servicing of Schools Forum | 45,030 | | 45,030 | 42,735 | -2,295 | |
| 90743 | School Admissions | 189,150 | | 189,150 | 189,150 | 0 | |
| 90354 | ESG - Education Welfare | 177,480 | | 177,480 | 154,370 | -23,110 | one-off saving on staffing costs plus FPN income considerably higher than budget |
| 90460 | ESG - Statutory & Regulatory Duties | 294,530 | | 294,530 | 297,470 | 2,940 | |
| 90054 | Efficiency Target | 997 | | 997 | 0 | -997 | unallocated 23/24 grant to be used to off-set reserve deficit |
| | SSR | 98,039 | | 98,039 | 98,039 | 0 | |
| | Central School Services Block DSG | 973,316 | 0 | 973,316 | 949,856 | -23,460 | |
| 90010 | Early Years Funding - Nursery Schools | 931,080 | 67,170 | 998,250 | 1,028,904 | 30,654 | |
| 90037 | Early Years Funding - Maintained Schools | 2,016,590 | 139,620 | 2,156,210 | 2,138,774 | -17,436 | |
| 90036 | Early Years Funding - PVI Sector | 6,202,250 | 435,963 | 6,638,213 | 6,678,226 | 40,013 | |
| 90052 | Early Years PPG & Deprivation Funding | 218,930 | 14,110 | 233,040 | 216,144 | -16,896 | |
| 90053 | Disability Access Fund | 43,060 | | 43,060 | 22,000 | -21,060 | |
| 90018 | 2 year old funding | 724,260 | 53,840 | 778,100 | 824,739 | 46,639 | |
| 90017 | Central Expenditure on Children under 5 | 339,480 | | 339,480 | 341,867 | 2,387 | Pay award higher than budgeted |
| 90287 | Pre School Teacher Counselling | 64,040 | | 64,040 | 65,070 | 1,030 | Teacher payrise element that was more than the budgeted value |
| 90238 | Early Years Inclusion Fund | 108,000 | | 108,000 | 90,000 | -18,000 | Plans to spend were rejected |
| 90054 | Early Years adjustment re grant funding | 122,681 | | 122,681 | 0 | -122,681 | |
| | SSR | 77,731 | | 77,731 | 77,731 | 0 | |
| | Early Years Block Total | 10,848,102 | 710,703 | 11,558,805 | 11,483,455 | -75,350 | |

Dedicated School's Grant (DSG) 2023/2024 Budget Monitoring Month Ten

| Cost Centre | Description | Original Budget 2023/24 | Net Virements in year | Amended Budget 2023/24 | Forecast | Variance | Comments |
|------------------|--|----------------------------|--------------------------|---------------------------|-------------------|------------------|--|
| 90026 | Academy Schools RU Top Ups | 985,450 | | 985,450 | 1,273,964 | 288,514 | |
| 90539 | Special Schools - Top Up Funding | 5,950,060 | | 5,950,060 | 5,720,067 | -229,993 | |
| 90548 | Non WBC Special Schools - Top Up Funding | 430,660 | | 430,660 | 432,620 | 1,960 | |
| 90554 | Non WBC free schools | 536,480 | | 536,480 | 685,870 | 149,390 | |
| 90556 | SEMH provision at Theale | 919,000 | | 919,000 | 987,770 | 68,770 | |
| 90575 | Non LEA Special School (OofA) | 1,177,630 | | 1,177,630 | 1,091,690 | -85,940 | |
| 90579 | Independent Special School Place & Top Up | 5,566,450 | | 5,566,450 | 5,413,090 | -153,360 | |
| 90580 | Further Education Colleges Top Up | 1,212,000 | | 1,212,000 | 1,674,370 | 462,370 | |
| 90617 | Resourced Units top up Funding maintained | 320,630 | | 320,630 | 562,775 | 242,145 | |
| 90618 | Non WBC Resourced Units - Top Up Funding | 119,850 | | 119,850 | 105,640 | -14,210 | |
| 90621 | Mainstream - Top Up Funding maintained | 1,142,580 | | 1,142,580 | 1,675,070 | 532,490 | More EHCP's plus additional special place funding |
| 90622 | Mainstream - Top Up Funding Academies | 548,920 | | 548,920 | 943,369 | 394,449 | More EHCP's plus additional special place funding |
| 90624 | Non WBC Mainstream - Top Up Funding | 180,000 | | 180,000 | 147,280 | -32,720 | |
| 90625 | Pupil Referral Units - Top Up Funding | 999,700 | 90,000 | 1,089,700 | 1,050,000 | -39,700 | |
| 90627 | Disproportionate No: of HN Pupils NEW | 65,000 | | 65,000 | 200,000 | 135,000 | |
| 90628 | EHCP PRU Placement | 920,420 | | 920,420 | 980,510 | 60,090 | |
| | High Needs Block: Top Up Funding Total | 21,074,830 | 90,000 | 21,164,830 | 22,944,085 | 1,779,255 | |
| 90320 | Pupil Referral Units | 660,000 | | 660,000 | 660,000 | 0 | |
| 90540 | Special Schools | 2,860,000 | | 2,860,000 | 2,860,000 | 0 | |
| 90546 | Special Schools - Place Funding Post 16 | 790,000 | | 790,000 | 790,000 | 0 | |
| 90551 | Mainstream Maintained - post 16 SEN places | 36,000 | | 36,000 | 36,000 | 0 | |
| 90552 | Special Schools and PRU Teachers Pay and Pension | 312,050 | | 312,050 | 324,860 | 12,810 | |
| 90584 | Resourced Units - Place Funding | 242,000 | | 242,000 | 242,000 | 0 | |
| | High Needs Block: Place Funding Total | 4,900,050 | 0 | 4,900,050 | 4,912,860 | 12,810 | |
| 90240 | Applied Behaviour Analysis | 226,660 | | 226,660 | 284,800 | 58,140 | |
| 90280 | Special Needs Support Team | 346,350 | | 346,350 | 346,350 | 0 | |
| 90281 | SEND Strategy (DSG) | 64,940 | | 64,940 | 65,760 | 820 | |
| 90282 | Medical Home Tuition | 388,730 | | 388,730 | 211,030 | -177,700 | huge reduction in use of casual workers going forward, with emphasis on using permanent staff - plans have been further delayed re way forward so a current year saving plus removal of EOTAS post until next financial year |
| 90237 | High Needs Contingency | 200,960 | -90,000 | 110,960 | 110,960 | 0 | |
| 90286 | Early Years Speech & Language | 0 | 23,665 | 23,665 | 12,290 | -11,375 | |
| 90287 | Pre School Teacher Counselling | 90,430 | | 90,430 | 91,300 | 870 | Teacher payrise element that was more than the budgeted value |
| 90288 | Elective Home Education Monitoring | 34,320 | | 34,320 | 36,620 | 2,300 | Increased number of children resulting in more visits and therefore mileage claims |

Dedicated School's Grant (DSG) 2023/2024 Budget Monitoring Month Ten

| Cost Centre | Description | Original Budget 2023/24 | Net Virements in year | Amended Budget 2023/24 | Forecast | Variance | Comments |
|-------------|--|----------------------------|--------------------------|---------------------------|--------------------|------------------|---|
| 90290 | Sensory Impairment | 282,340 | | 282,340 | 260,790 | -21,550 | |
| 90295 | Therapy Services | 469,700 | | 469,700 | 494,020 | 24,320 | |
| 90372 | Therapeutic Thinking | 58,590 | | 58,590 | 33,890 | -24,700 | |
| 90373 | Emotional Based School Avoiders (EBSA) | 134,840 | | 134,840 | 108,530 | -26,310 | |
| 90374 | SEMH Practitioner | 41,490 | | 41,490 | 27,720 | -13,770 | |
| 90555 | LAL funding | 161,690 | | 161,690 | 161,690 | 0 | |
| 90565 | Equipment For SEN Pupils | 15,000 | | 15,000 | 15,000 | 0 | |
| 90577 | SEN Commissioned Provision | 636,220 | | 636,220 | 633,250 | -2,970 | |
| 90582 | PRU Outreach | 61,200 | | 61,200 | 61,200 | 0 | |
| 90585 | HN Outreach Special Schools | 50,000 | | 50,000 | 50,000 | 0 | |
| 90610 | Hospital Tuition | 36,180 | | 36,180 | 27,805 | -8,375 | |
| 90830 | ASD Teachers | 285,880 | | 285,880 | 289,880 | 4,000 | Teacher payrise element that was more than the budgeted value |
| 90961 | Vulnerable Children | 179,400 | | 179,400 | 124,400 | -55,000 | |
| 90581 | Dingleys Promise | 30,000 | | 30,000 | 30,000 | 0 | |
| | High Needs Block: Non Top Up or Place Funding | 3,794,920 | -66,335 | 3,728,585 | 3,477,285 | -251,300 | |
| 90054 | Efficiency Target | -3,064,547 | -23,665 | -3,088,212 | 0 | 3,088,212 | |
| | SSR | 176,475 | | 176,475 | 176,475 | 0 | |
| | High Needs Block Total | 26,881,728 | 0 | 26,881,728 | 31,510,705 | 4,628,977 | |
| | TOTAL DSG EXPENDITURE | 115,655,640 | 710,703 | 116,366,343 | 120,896,510 | 4,530,167 | |
| 90030 | DSG Grant Account | -115,655,640 | | -115,655,640 | -115,405,866 | 249,774 | |
| | Early Years Supplementary Funding | 0.00 | -710,703 | -710,703 | -710,703 | 0 | |
| | Net In-year Deficit | 0 | 0 | 0 | 4,779,941 | 4,779,941 | |
| | Deficit Balance brought forward | 4,761,000 | | 4,761,000 | 4,761,000 | 0 | |
| | In year reserve movement | | | | 147,692 | 147,692 | Funding from reserves for de-delegations |
| | Cumulative Deficit | 4,761,000 | 0 | 4,761,000 | 9,688,633 | 4,927,633 | |

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